

**MINUTES  
REGULAR BOARD MEETING  
THURSDAY, OCTOBER 18, 2007, 9:00 A.M.**

Board Members Present at Roll Call: Les Abrams, Charlie Havranek, Cynthia Henry, Myra Jefferson, Debbie Rudd. A quorum was present. Board Members Present after Roll Call: Rod Bolden. Board Members Absent: Gabe Corral. Vacant Board Member Positions: Public; Certified Residential Appraiser.

Also Present at Roll Call: Debb Pearson, Executive Director; Beckie Loar, Regulatory Compliance Administrator. Also Present after Roll Call: Dawn Walton Lee, Assistant Attorney General; Christopher Munns, Assistant Attorney General, Solicitor General's Office.

Les Abrams acted as Chairperson.

The Board pledged allegiance to the flag of the United States of America.

Charles Havranek moved that the Minutes of the September 20, 2007, Regular Board Meeting be approved. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

**PUBLIC ANNOUNCEMENTS AND CALL TO PUBLIC**

Craig Steven Christenson filed a Call to Public and spoke to the Board concerning his incomplete license application. Cindy Reese filed a Call to Public and spoke to the Board concerning web casting Board meetings.

**PUBLIC HEARING ON RULEMAKING PACKAGES**

R4-46-106, Fees.

No public comments were received concerning the proposed rule. Charlie Havranek moved that the Board close the record, adopt the rule change as proposed:

**R4-46-106. Fees**

**A.** ~~Except as provided in subsections (D) and (E), the~~ The Board shall charge and collect fees for the following:

1. Initial Applicant and First Biennial License: Application: \$400
2. Examination: \$100
3. ~~Reexamination:~~ \$100
- 4-3. Biennial Renewal of a License or Certificate: \$425
- 5-4. Delinquent Renewal (in addition to the Renewal fee): \$25
- 6-5. Biennial Federal National Registry: \$50
- 7-6. Nonresident Temporary License or Certificate: \$150

- 8. Duplicate License or Certificate: \$5
- 9.7. Course Review: Approval:
  - a. Qualifying Education
    - i. Initial Review and Course Approval: ~~\$300~~ \$400
    - ii. Review Renewal of Course ~~Previously Approved:~~ Approval: \$5 \$100
    - iii. Renewal of Course Approval to Change Instructor: \$50
  - b. Continuing Education
    - i. Initial Review and Course Approval-of: \$200  
2-hour courses: \$50  
~~3 and 4 hour courses: \$100~~  
Any course 5 hours or longer: \$150
    - ii. Review Renewal of Course ~~Previously Approved:~~ Approval: \$5 \$100
    - iii. Renewal of Course Approval to Change Instructor: \$50
- B. A person shall pay fees by ~~cash~~, certified check, cashier's check, or money order payable to the Arizona Board of Appraisal.
- C. A person making a public record request shall pay the Board the reasonable cost of reproduction consistent with A.R.S. Title 39, Chapter 1, Article 2. The person shall pay for the Board's cost of reproduction by ~~cash~~, certified check, cashier's check, or money order.
- D. ~~The fee for an initial application filed after November 30, 1998, and before December 1, 2000, shall be \$300.~~
- E. ~~The renewal application fee for a license or certificate expiring after November 30, 1998, and before December 1, 2000, shall be \$225.~~

and proceed with the notice of final rulemaking. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

Rod Bolden joined the meeting.

R4-46-101, Definitions; R4-46-201, Appraiser Qualification Criteria.

No public comments were received. Debbie Rudd moved that the Board close the record, adopt the proposed rule change, and proceed with the notice of final rulemaking. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion. The motion was rescinded. Debbie Rudd moved that because of the substantial revisions to the language in the proposed notice of rulemaking, the Board terminate the rulemaking and start over with a new rulemaking package:

#### **ARTICLE 1. GENERAL PROVISIONS**

##### **R4-46-101. Definitions**

In these rules, unless the context otherwise requires:

"Arizona or State Certified General Appraiser" No change

"Arizona or State Certified Residential Appraiser" No change

"Arizona or State Licensed Appraiser" No change

"Appraisal Foundation" No change  
"Appraiser" No change  
"Board" No change  
"Board counsel" No change  
"Board staff" No change  
"Complaint" No change  
"Consent agreement" No change  
"Consulting assignment" No change  
"Conviction" No change  
"Course provider" No change  
"Direct supervision" means that a supervising appraiser is ~~physically present to direct and oversee~~  
directing and overseeing the production of each appraisal assignment.  
"Disciplinary action" No change  
"Dismissal" No change  
"Distance education" No change  
"Due diligence" No change  
"Formal complaint" No change  
"Formal hearing" No change  
"Informal hearing" No change  
"Informational interview" No change  
"Initial review" No change  
"Investigation" No change  
"Investigator" No change  
"Jurisdictional criteria" No change  
"Letter of concern" No change  
"Letter of due diligence" No change  
"Letter of remedial action" No change  
"Mentor" No change  
"Order" No change  
"Party" No change  
"Practicing appraiser" No change  
"Probation" No change  
"Property tax agent" No change  
"Remedial action" No change  
"Respondent" No change  
"Rules" No change  
"Summary suspension" No change  
"Supervising appraiser" No change  
"Trainee" No change  
"USPAP" No change  
"Workfile" No change

## **ARTICLE 2. LICENSING AND CERTIFICATION**

### **R4-46-201. Appraiser Qualification Criteria**

**A.** Except as provided in subsections (B), (C), and (D), an applicant for the applicable

classification of license or certificate shall meet that classification's criteria established by the Appraiser Qualifications Board (AQB) in either The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria adopted February 16, 1994 effective January 1, 1998, All Interpretations and Supplementary Information as of January 1, 2002, and Appendix I, Criteria Revisions effective January 1, 2003, ("1998 Criteria"), or The Real Property Appraiser Qualification Criteria Adopted January 1, 2003, All Interpretations And Supplementary Information As Of ~~November 1, 2005~~, February 1, 2007, And Appendix, Real Property Qualifications Effective January 1, 2008 ("2008 Criteria"), as follows:

1. The requirements are divided into three components: education, experience and examination. An applicant shall meet the criteria in effect at the time the applicant completes a particular component.
  2. The Board shall give credit for completion of a component if the applicant meets either the 1998 Criteria or the 2008 Criteria for any component completed prior to January 1, 2008.
  3. The Board shall give credit for completion of a component only if the applicant meets the 2008 Criteria for any component completed on or after January 1, 2008.
  4. On and after November 1, 2008, an applicant shall meet the 2008 Criteria for all components, regardless of when the component was completed. Both the 1998 Criteria and the 2008 Criteria are incorporated by reference and are on file with the Board. These incorporated criteria include no future additions or amendments. A copy of the incorporated criteria may be obtained from the Board or The Appraisal Foundation.
- B.** Regardless of whether a transaction is federally related:
1. A State Licensed Residential Appraiser is limited to the scope of practice in A.R.S. § 32-3612(A)(3), and
  2. A State Certified Residential Appraiser is limited to the scope of practice in A.R.S. § 32-3612(A)(2).
- C.** Notwithstanding the criteria incorporated by reference in subsection (A),
1. An applicant shall not obtain more than 75% of required qualifying education through distance education,
  2. An applicant shall not obtain the 15-hour National USPAP Course, or its equivalent, approved through the AQB Course Approval Program, through distance education, ~~and~~
  3. Qualifying education credit may be obtained at any time before the date of application, except the 15-hour National USPAP Course or its AQB approved equivalent must be obtained within two years preceding the date of application: and
  4. 75% of the applicant's quantitative experience requirements must include work product where the applicant inspected the subject property. This subsection (C)(4) shall become effective May 1, 2008.
- D.** Notwithstanding the criteria incorporated by reference in subsection (A), there is no Trainee Real Property Appraiser Classification.
1. A supervising appraiser shall instruct and directly supervise a trainee for any

classification of license or certificate in the entire preparation of each appraisal. The supervising appraiser shall approve and sign all final appraisal documents: certifying the appraisals are in compliance with the Uniform Standards of Professional Appraisal Practice. A supervising appraiser and trainee must work in the same state and the supervising appraiser must personally and physically supervise the entire inspection of each appraised property with the trainee. ~~To demonstrate responsibility for the instruction, guidance, and direct supervision of the trainee, the supervising appraiser shall:~~

- a. ~~Sign the appraisal report and certify the report is in compliance with the Uniform Standards of Professional Appraisal Practice;~~
  - b. ~~Personally supervise the entire physical inspection of each appraised property with the trainee, and~~
  - c. ~~Review and sign each trainee appraisal report.~~
2. A trainee may have more than one supervising appraiser, but a supervising appraiser shall not supervise more than three trainees at any one time. A trainee shall maintain an appraisal log for each supervising appraiser and, at a minimum, include the following in the log for each appraisal:
- a. Type of property,
  - b. Date of report,
  - c. Property description,
  - d. Description of work performed by the trainee and scope of review and supervision by the supervising appraiser,
  - e. Number of actual work hours by the trainee on the assignment, and
  - f. The signature and state certificate number of the supervising appraiser.
- ~~This subsection (D)(2)(f) is effective January 1, 2008.~~
3. ~~A supervising appraiser and trainee shall work in the same geographic area, and in no event shall the supervising appraiser and trainee work in different states.~~
- 4- 3. A supervising appraiser shall provide to the Board in writing the name and address of each trainee within 10 days of engagement, and notify the Board in writing immediately upon termination of the engagement. A state certified appraiser is not eligible to be a supervising appraiser unless the appraiser's certificate is in good standing and the appraiser has not been subject to license or certificate suspension, probation, or mentorship within the last two years. ~~This subsection (D)(4) is effective January 1, 2008.~~
4. An appraiser who wishes to act as a supervising appraiser must submit proof of completion of a minimum of 4 hours of continuing education approved by the Board regarding the role of a supervising appraiser before such supervision begins. The required course shall not be taken through distance education.
5. All supervising appraisers shall submit to the Board proof of completion of a minimum of 4 hours of continuing education approved by the Board regarding the role of a supervising appraiser within 60 days of the effective date of this subsection (D)(5). The required course shall not be taken through distance education. If the supervising appraiser does not take the course within 60 days of the effective date of this subsection (D)(5), the supervising appraiser may no longer act as a

supervising appraiser until the class is taken and proof has been submitted to the Board.

4.6. In the event that an appraiser (who wishes to act as a supervising appraiser) or a supervising appraiser does not comply with the requirements of this section (D):

a. The appraiser (who wishes to act as a supervising appraiser) or the supervising appraiser will be subject to disciplinary action pursuant to A.R.S. § 32-3631(A)(8), and

b. The trainee shall not receive experience credit for any hours logged during the period the supervising appraiser or appraiser (who wishes to act as a supervising appraiser) has failed to comply with the requirements of this section (D).

Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Dawn Walton Lee joined the meeting.

#### R4-46-401, Standards of Appraisal Practice.

No public comments were received. Charlie Havranek moved that the Board close the record, adopt the proposed rule change:

#### **R4-46-401. Standards of Appraisal Practice**

Every appraiser, in performing the acts and services of an appraiser, shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP), ~~2006~~ 2008-2009 edition, published by The Appraisal Foundation, which is incorporated by reference and on file with the Board. This incorporation by reference contains no future editions or amendments. A copy of the USPAP ~~2006~~ 2008-2009 edition may be obtained from The Appraisal Foundation, 1155 15<sup>th</sup> Street, NW, Suite 1111, Washington, D.C. 20005; (202) 347-7722; fax (202) 347-7727; or web site [www.appraisalfoundation.org](http://www.appraisalfoundation.org).

and proceed with the notice of final rulemaking. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

#### **RECOGNITION AND RECEPTION FOR RETIRED BOARD MEMBER, SARAH C. VETAULT**

Tabled because Sarah Vetault could not be present.

#### **COMPLAINT REVIEW**

##### Review and Action Concerning 2462/2463/2464/2465/2566/2467/2468/2469, Shawkat E. Halabu.

Respondent appeared. Staff summaries were read. Charlie Havranek moved that the complaints be referred to investigation. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2470, Paul F. Devries.

Respondent appeared. Staff summary was read. Debbie Rudd moved that the complaint be referred to investigation. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2091, Joseph E. Kaneakua.

Respondent and his mentor appeared. Debbie Rudd moved that the Board terminate the mentorship and probation. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2159/2161/2163/2165/2167/2169/2171, Thomas A. Reeb.

Respondent appeared. Based on Board audit of selected appraisals, the Board found no USPAP violations and instructed Respondent to continue with the terms of his 3/21/07 Consent Agreement and Order of Discipline.

Review and Action Concerning 2242, Gary S. Granville.

Debbie Rudd recused herself. Staff summary was read. Respondent appeared. Staff summary was read. Charlie Havranek moved that the Board invites Respondent to an informal hearing. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion. The Board noted that the matter was at its 12-month review and that the Board would proceed.

Review and Action Concerning 2224, Harrison Gordon/2225, Joshua Hernandez/2226, Nicolo Amoroso.

Respondent in 2226 appeared. Based on the 12-month file review, Charlie Havranek moved that the Board proceed with its investigation in 2226. Debbie Rudd seconded the motion. Based on the 12-month review, Charlie Havranek moved that the Board proceed with its investigation in 2224/2225. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2403, Safa P. Sitto.

Respondent appeared and was represented by Corey I. Richter, Esq. Debbie Rudd moved that the Board accept the investigative report. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board invites Respondent to an informal hearing. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2410, Hans C. Dannenberg.

Respondent appeared. Debbie Rudd moved that the Board accept the investigative report and add an additional violation. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board find Level I violations and offer Respondent a nondisciplinary letter of concern citing violations. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2408/2409, Jay G. Hulet.

Respondent appeared. Staff summaries were read. Charlie Havranek moved that the Board accept the investigative report concerning 2408, with an exception. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board accept the investigative report concerning 2409. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board find no violations and dismiss the complaints. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2413, Enzo Garino.

Respondent appeared. Charlie Havranek moved that the Board accept the investigative report. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board find Level II violations and offer Respondent a due diligence consent letter citing the violations and requiring disciplinary education. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2431, Gerald A. Diehl.

Respondent appeared. Debbie Rudd moved that the Board accept the investigative report. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board invites Respondent to an informal hearing. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2482, Jill A. Trompeter.

Respondent appeared. Staff summary was read. Debbie Rudd moved that staff subpoena additional information. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the matter be tabled. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2263, Everett L. Quinn.

Respondent did not appear. Charlie Havranek moved that the Board approve James W. Brown, Certified Residential Appraiser #20136, as Respondent's mentor pursuant to the 8/24/07 Consent Agreement and Order of Discipline. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2379, Michael S. Mason.

Respondent did not appear. Charlie Havranek moved that the Board accept the investigative report. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board invites Respondent to an informal hearing. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.



Review and Action Concerning 2380, Timothy J. Morris.

Respondent did not appear. Debbie Rudd moved that the Board accept the investigative report. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board invites Respondent to an informal hearing. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2384, Peter B. Respold.

Respondent did not appear. Charlie Havranek moved that the Board accept the investigative report. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board invites Respondent to an informal hearing. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2415, Ambrose Rojas.

Respondent did not appear. Debbie Rudd moved that the Board invites Respondent to an informal hearing. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2418, Lance R. Freeman.

Respondent did not appear. Charlie Havranek moved that the Board accept the investigative report. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board invites Respondent to an informal hearing. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2432, Remigio S. Belmonte.

Respondent did not appear. Charlie Havranek moved that the Board accept the investigative report. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board find Level II violations and offer Respondent a due diligence consent letter citing violations and requiring disciplinary education. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning Superior Court Case CV-06-4140 (03F-1782-BOA/03F-1784-BOA), Felicia M. Coplan.

Respondent did not appear. Dawn Walton-Lee updated the Board with the status of Respondent's appeal.

Review and Action Concerning Appellate Court Case 1CA-CV 05-0868 (98F-0544-BOA), Lawrence D. Bloom.

Respondent did not appear. Dawn Walton-Lee updated the Board with the status of Respondent's appeal.

Review and Action Concerning 2439, William A. Buehl/2440, Ben B. Booth/2441, Barbara S. Bloomberg.

Respondents did not appear. Staff summaries were read. Charlie Havranek moved that the Board issue Respondent in 2441 a cease and desist letter. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that 2439/2440 be referred to investigation. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2449, John K. Senerchia.

Respondent did not appear. Staff summary was read. Debbie Rudd moved that the Board audit three of Respondent's appraisals. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2458/2471/2484, Brian R. Haneline.

Respondent did not appear. Staff summaries were read. Charlie Havranek moved that the complaints be tabled to allow Respondent's 90-day grace period to expire. The motion was withdrawn. Debbie Rudd moved that the complaints be closed to be reopened and considered in the event Respondent reapplies. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the complaints be referred to the Arizona Mortgage Fraud Task Force. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2459, Molly N. Woods.

Respondent did not appear. Staff summary was read. Charlie Havranek moved that the Board find no violations and dismiss the complaint. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2460, Angus Hopkins III.

Respondent did not appear. Staff summary was read. Debbie Rudd moved that the complaint be referred to investigation. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2472, Marc J. Seigleman.

Respondent did not appear. Staff summary was read. Charlie Havranek moved that the Board find no violations and dismiss the complaint. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2473, Brooke Patterson.

Respondent did not appear. Staff summary was read. Debbie Rudd moved that the Board find Level II violations and offer Respondent a due diligence consent letter citing violations and requiring disciplinary education. The motion was withdrawn. Debbie Rudd moved that the Board invites Respondent to an informal hearing. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2477, Robert L. VanDyke.

Respondent did not appear. Staff summary was read. Debbie Rudd moved that the complaint be referred to investigation. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2478, Gary J. Roeth.

Respondent did not appear. Staff summary was read. Debbie Rudd moved that the complaint be referred to investigation. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2479, Thomas D. Speelman.

Respondent did not appear. Staff summary was read. Debbie Rudd moved that the Board find Level II violations and offer Respondent a nondisciplinary letter of remedial action citing violations and requiring remedial education. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2483, Terry C. Hughes.

Respondent did not appear. Staff summary was read. Charlie Havranek moved that the Board find no violations and the complaint be dismissed. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2485, Ryan J. Stevens.

Respondent did not appear. Staff summary was read. Charlie Havranek moved that the Board close the complaint against Respondent for lack of jurisdiction and open complaint 2503 against Randall P. Jacobs, the signing appraiser. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2488, Richard A. Webb.

Respondent did not appear. Staff summary was read. Charlie Havranek moved that the Board invites Respondent to an informal hearing. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Issues Dealing with Formal Hearing Concerning 07F-2177-BOA, Lucille DeMarco.

Respondent did not appear. Dawn Walton Lee, Assistant Attorney General, represented the State. Christopher Munns, Assistant Attorney General, Solicitor General's Office, advised the Board. Charlie Havranek moved that the Board deny Respondent's Motion for Rehearing with Oral Argument. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion upon the following roll call vote: Les Abrams--yes; Rod Bolden--yes; Charlie Havranek--yes; Cynthia Henry--yes; Myra Jefferson--yes; Debbie Rudd--yes.

Issues Dealing with Formal Hearing Concerning 2240, Anna M. Diaz.

Respondent did not appear, but was represented by Scott J. Richardson, Esq. Dawn Walton Lee, Assistant Attorney General, represented the State. Christopher Munns, Assistant Attorney General, Solicitor General's Office, advised the Board. Charlie Havranek moved that the Board table the matter to allow notification that Respondent had passed the certified residential examination. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board rescind its referral to formal hearing before the Office of Administrative Hearings (OAH). Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion upon the following roll call vote: Les Abrams--yes; Rod Bolden--yes; Charlie Havranek--yes; Cynthia Henry--yes; Myra Jefferson--yes; Debbie Rudd--yes. The Board noted that the matter was at its 12-month review and that the Board would proceed.

Review and Action Concerning 2475, Scott M. Sillari.

Respondent appeared. Charlie Havranek moved that the Board find Level I violations and offer Respondent a nondisciplinary letter of concern citing violations. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 08F-6863-BOA, Scott M. Sillari.

Respondent appeared. Dawn Walton Lee, Assistant Attorney General, represented the State. Christopher Munns, Assistant Attorney General, Solicitor General's Office, advised the Board. Charles J. Havranek moved that the Board find certified residential application #6863 substantively complete. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board rescind its referral to formal hearing before the Office of Administrative Hearings (OAH). Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

**BOARD CHAIRPERSON REPORT**

Les Abrams reported on the progress that continues to be made on the website renovations.

Myra Jefferson left the meeting. A quorum remained.

**EXECUTIVE DIRECTOR REPORT**

Debb Pearson reported on the status of the Assistant Attorney General's assignments; advised no complaint answer dates had been extended by staff; reported the following complaint statistics for calendar years 2006 and 2007:

	<u>2006</u>	<u>2007</u>	<u>2007</u>
Complaints filed	209	182	
Complaints heard by Board			485
<b><u>OF THOSE COMPLAINTS:</u></b>			
Complaints dismissed	70	63	80
Complaints referred to investigation	84	52	98
Complaints resolved with nondisciplinary letter of concern	30	11	17

Complaints resolved with nondisciplinary letter of remedial action	10	7	12
Complaints resolved with disciplinary letter of due diligence	6	4	6
Complaints resolved with probation	25	10	31
Complaints referred to informal hearing	66	19	61
Complaints referred to formal hearing	32	4	31
Complaints resolved with suspension	6	2	3
Complaints resolved with surrender	1	0	1
Complaints resolved with revocation	1	3	4
Complaints resolved with cease and desist letters	24	0	2
Violation Levels:			
I	35	14	21
II	10	10	15
III	17	9	28
IV	3	2	4
V	9	3	4

**Additional Information:**

	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
Jurisdiction Expired & Complaints Closed	21	19	5
Denials of New Applications	5	7	5
Denials of Renewal Applications	2	4	1

reported on the progress of the Mortgage Fraud Task Force; reported on the 9/28/07 State Regulator Advisory Group (SRAG) meeting; 9/29/07-10/2/07 Association of Appraiser Regulatory Officials (AARO) meeting; and reported that the Appraisal Subcommittee's biennial review of the Board would be in 1/08. Staff was instructed to check into the AARO investigator training.

**APPLICATION REVIEW COMMITTEE REPORT**

Debbie Rudd reported the following Arizona appraiser and property tax agent information as of October 15, 2007:

	<b><u>9/05</u></b>	<b><u>9/06</u></b>	<b><u>9/07</u></b>
Licensed Residential	889	1039	1136
Certified Residential	827	927	1041
Certified General	754	761	798
Nonresident Temporary	87	61	27
Property Tax Agents	287	307	260
	<i>Total 2557</i>	<i>Total 2788</i>	<i>Total 3002</i>

Debbie Rudd moved that the Board authorize staff to process applications found substantively incomplete based solely on pending DPS results and bring the applications back to the Committee to be found substantively complete. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion. The Board took no action concerning examination of work product by members of the Committee. Charlie Havranek moved that the Board approve the drafting of a proposed form consent agreement and order concerning residential appraisals for certified general applicants. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board go into Executive Session for legal advice. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Upon return from Executive Session, Charlie Havranek moved that staff post

information concerning the residential experience requirement for certified general applicants on the Board's website and to mail out notification of the requirement. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board find Licensed Residential Appraiser Application #6818, Nicolo Amoroso, substantively complete. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Rob Bolden moved that the Board deny Certified General Appraiser Application by Reciprocity #6829, Scott A. McCorvie pursuant to A.R.S. §§ 32-3620, 32-3631(A)(1), and 32-3631(8). Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board open Complaints 2505/2506/2507 against Ernest W. Circle, Licensed Residential Appraiser #11264, concerning the three sample appraisals submitted with Licensed Residential Application 6843. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board deny Licensed Residential Application #6843, Virginia L. Weggeland pursuant to A.R.S. §§ 32-3620, 32-3631(A)(2), 32-3632(A)(6) and 32-3631(A)(7). Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board accept the Committee's recommendations (see attached), except that the Board find Certified General Application #6900, Marty R. Schaffer substantively incomplete. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

#### **APPRAISAL TESTING AND EDUCATION COMMITTEE REPORT**

Debbie Rudd moved that the Board accept the Committee's recommendations (see attached). Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion.

#### **RULES AND REGULATIONS**

Debbie Rudd moved that the Board accept the Committee's recommendations (see attached). Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion. Staff was instructed to update the reciprocal application, if necessary; and place discussion of the complaint process flow chart on the Board's next agenda.

#### **OLD BUSINESS**

Discussion and Action Concerning Kumbi A. Salim a/k/a Stanley A. Price, Licensed Residential Appraiser #11323, Following Notification of Michigan Murder Conviction And Incarceration and Expiration of Appraiser's 90-Day Renewal Grace Period.

Charlie Havranek moved that the Board close the file to be considered in the event Mr. Salim reapplies. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Discussion and Action Regarding "Appraiser" Advertising by Alexandra Olson, Realtor.

Charlie Havranek moved that staff send an informational letter to Ms. Olson. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Discussion and Action Regarding Advertising by Adept Appraisal.

Debbie Rudd moved that staff send an informational letter to Adept Appraisal. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Discussion and Action Regarding Website Of Catapano Appraisals.

Charlie Havranek moved that the Board take no action. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Discussion and Action Regarding Delegating to Staff the Authority to Continue Informal Hearings.

Charlie Havranek moved that, pursuant to A.R.S. § 32-3606, the Board delegate to staff the authority to continue an informal hearing one time at the request of Respondent. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Discussion and Action Regarding Amended Appraisal Subcommittee Policy Statement 10 (G), Validation of Experience Documentation for AQB Criteria Conformance and USPAP Compliance.

The Board tabled the matter to allow the Assistant Attorney General to draft a proposed consent agreement and order.

Discussion and Action Regarding Revising Board Meetings From The Third Thursday of Each Month.

The Board took no action.

**CONFIRMATION OF MEETING DATES, TIMES, LOCATIONS AND PURPOSES**

The upcoming Committee and Board meetings were scheduled as follows:

**November**

14	Personnel Committee	8:15 a.m.
14	Application Review Committee	11:00 a.m.
15	Appraisal Testing and Education Committee	8:15 a.m.
15	Board	9:00 a.m.

**ADJOURNMENT**

The meeting was adjourned.

/s/  
Lester G. Abrams, Chairperson

**RECOMMENDATIONS  
COMMITTEE ON APPLICATION REVIEW**

**TO: Board of Appraisal**

**From: Application Review Committee**

**Date: October 18, 2007**

**Re: October 17, 2007 Recommendations**

**I. Report on number of Arizona Appraisers and Property Tax Agents:**

	<u>10/05</u>		<u>10/06</u>		<u>10/07</u>
Licensed Residential	889		1039		1136
Certified Residential	827		927		1041
Certified General	754		761		798
Nonresident Temporary	87	Total 2557	61	Total 2788	27
Property Tax Agents	287		307		260

**II. As a result of its **October 17, 2007** meeting the Application Review Committee makes the following recommendations:**

- A.** To approve staff procedure for processing substantively incomplete applications based on pending DPS results
- B.** No action necessary concerning examination of work product by members of the Application Review Committee
- C.** To table Affidavit of Real Property Appraisal Practice
- D.** To refer to the following applications to the full Board:
  - 6818     Nicolo Amoroso
  - 6829     Scott A. McCorvie (by reciprocity)
  - 6843     Virginia L. Weggeland

**E. To approve the following applications as substantively complete:**

**1. Renewal applications:**

10587   John K. Senerchia



**2. Licensed Residential by exam unless noted otherwise:**

6568	Gina T. Jackson
6835	Jarold T. Droegkamp
6837	Ricky F. LeBlanc
6839	Jered M. Liebeck
6861	Gena A. Cox-Dorman
6862	Christina L. Scaturro
6864	Scott A. Wingo
6929	Rebecca B. Evans
6947	Andrew J. Hamilton (by reciprocity)
6989	Tomas E. Rivera

**3. Certified Residential by exam unless otherwise noted:**

6624	Kim L. Durell
6679	Fernando Diaz, Jr.
6790	Mark K. Lewis (by reciprocity)
6819	Ryan P. Graffius
6836	Jennifer L. Morgan
6876	Jarad P. Carbajal
6878	Amber D. Brooks
6890	Nicole S. Moest
6897	Jerry A. Rogers
6919	Danielle L. Brdar
6923	Luis F. Llanos
6936	Viola M. Rulon
6942	Adrian Cirdan
6948	Brandon J. Reich
6955	Morgan W. McGlacken
6957	Roger C. Johnson
6958	Tiela R. Norris
6959	Gregory L. Hardy
6960	William A. Wachtel
6962	Wendi L. Herda
6963	Charlett E. Hutsell
6970	Carolyn A. Fox
6975	Cameron S. Comerford
6982	Douglas B. Clithero
6994	Timothy S. McCormick
7002	Steven K. Crellin

7004 Tamra L. Hoffman

**4. Certified General by exam unless otherwise noted:**

6894 Steven E. Arffa  
6900 Marty R. Schaffer  
6938 Brad M. Beggs (by reciprocity)  
6964 Thomas H. Slack (by reciprocity)

**F. To approve the following applications as substantively complete and confirm the issuance of the following license/certification:**

**1. Reciprocity**

21607 Polly L. Stidham  
21610 Christopher L. Sage  
31568 Bradley J. Petzold  
31569 Douglas A. La Rocca

**2. Nonresident Temporary**

TP41071 William L. Knight  
TP41072 William P. Szabo

**G. To disapprove the following applications as substantively incomplete and hold until substantively complete:**

6866 Bryan W. Knowlton (by reciprocity)  
6909 Miles Loo, Jr. (by reciprocity)  
6937 Jane M. Lavalla (by reciprocity)  
6950 Louis C. Lechuga  
6953 Daniel J. Kennedy (by reciprocity)  
6973 Sheridan B. Johnson  
6984 Brian A. Friedman  
6985 Christopher S. Weidman  
6988 Christian Feher  
6998 Stephen Rich (by reciprocity)  
6999 Carolyn Van Hazel  
7003 Daniel A. Hyde  
7008 Kathleen Ann Foley (by reciprocity)  
7015 Summer S. Chandler  
7048 John H. Temme (by reciprocity)

**III. Applications Pending - Substantively Incomplete**

6489	Jose Magana
6562	Barbara J. Hallbourg
6570	Douglas Mitchell
6595	Rachel I. Encinas
6617	Brent A. Hodges
6681	George E. Shosted
6756	David C. DiPeso
6841	Larry R. Hamby
6891	Carolyn P. Holliday

Notification of applicants with substantively incomplete applications who have not responded to the Committee's request for additional information. Pursuant to R4-46-202(D) applicants have up to a year to meet all requirements for license/certificate or applicant's file is to be closed by the Board and applicant shall reapply.

## RECOMMENDATIONS

### ***COMMITTEE ON APPRAISAL TESTING AND EDUCATION***

**TO: Board of Appraisal**

**FROM: Committee on Appraisal Testing and Education**

**DATE: October 18, 2007**

**RE: October 18, 2007 Recommendations**

**As a result of its October 18, 2007 meeting the Committee on Appraisal Testing and Education makes the following recommendations:**

- I. Action regarding proposed approval of qualifying education courses:
  - A. Previously approved by the Board:
    - 1. Submitted by **Appraisal Institute**
      - a. **General Market Analysis and Highest & Best Use**, #ABA 1105-485 30 hours  
\*Vincent Dowling  
Recommend approval
  - B. Not previously approved by the Board:
    - 1. Submitted by **Appraisal Institute**
      - a. **Online Residential Sales Comparison & Income Approach**, 30 hours  
Distance Education  
\*Mark Rattermann  
Recommend approval
    - 2. Submitted by **McKissock Schools**
      - b. **Statistics, Modeling and Finance**, 15 hours  
Distance Education  
\*Alan Simmons  
Recommend approval
- II. Action regarding proposed approval of continuing education courses:
  - A. Previously approved by the Board:
    - 1. Submitted by **Appraisal Institute**
      - a. **Appraising Manufactured Housing**, #ABA D1005-481 Distance Education 7 hours

\*Richard Heyn  
Recommend approval

2. Submitted by **Arizona School of Real Estate & Business**
  - a. **2805 Business Structures or Business Ownership, #ABA 0901-029** 3 hours  
\*Stephen C. Birringer, Sue Everland Terry Foster, Bill Gray, Chuck Green, Brad Huss, Robert Lord, Jeanne Kennedy, Greg McGill, Jim Miller, Delores Nance, Sharon Ravenscroft, Barry Seip, Rick Turkian, Gerard Vick, Jeff Young, Terry Zajac  
Recommend approval
  - b. **1235 Working with Blueprints, #ABA 0901-031** 3 hours  
\*Clark Booth, Tom Denny, Clyde Dinnell, Dave Maza, Larry Schoenberger, Dan Smith  
Recommend approval
  - c. **2986 Government Lands in Arizona, #ABA 0901-032** 3 hours  
\*Jim Adams, Clyde Dinnell, Bill Gray, Don Hadder, Richard Hubbard, Mike Phalen, Stan Strom, Rick Turkian, Gerard Vick, David Wood, Terry Zajac  
Recommend approval
  - d. **2750 Arizona Land Market, #ABA 0901-033** 3 hours  
\*Jim Adams, Clyde Dinnell, Bill Gray, Don Hadder, Richard Hubbard, Mike Phalen, Stan Strom, Rick Turkian, Gerard Vick, David Wood, Terry Zajac  
Recommend approval
  - e. **2657 Federal Fair Housing & the Americans with Disabilities Act, #ABA 0901-034** 3 hours  
\*Bob Artim, Stephen Birringer, Scott Clark, Tony Cox, Neil Dauler-Phinney, Tom Denny, Bill Dowdy, Bill Gray, Charles Green, Randy Helfman, Andy Hull, dan Klobberdanz, Mark Kramoltz, Jim Miller, Paulie Parouse, Dave Rider, Barry Seip, Stan Silas, Rick Turkian, Gerard Vick, Duane Washkowiak, Terry Zajac  
Recommend approval
  - f. **2576 Land Planning & Zoning, #ABA 0901-035** 3 hours  
\*Jim Adams, Michael Chase, Clyde Dinnell, John Faramelli, Don Hadder, Richard Hubbard, Dave Maza, Mike Phalen, Stan Strom, Gerard Vick, David Wood  
Recommend approval
  - g. **1116 Hewlett Packard 12C Calculator, #ABA 0901-036** 6 hours  
\*Frank Bell, Bill Epley, Dale Hillard, Matt Hassett, John Wenner  
Recommend approval
  - h. **1105 Exchanging Real Estate, #ABA 0901-037** 3 hours  
\*Earl Berg, Karin Church, Michael Denions, Mark Kramoltz, Jim Miller, Dave Tornekk, Jeff Young  
Recommend approval
  - i. **1080 Subdivision Rules & Procedures, #ABA 0901-038** 3 hours  
\*Stephen Birringer, Mike Denious, Terry Foster, Bill Kozub, Mark Kramoltz, Ed Ricketts, Stan Strom, Rick Turkian, Terry Zajac  
Recommend approval
  - j. **1038 Business Valuation, #ABA 0901-039** 3 hours

- \*Earl Berg, Earl Cass, Diane Drain, Terry Foster, Bill Gray, Alan Hayden, Greg McGill, Jim Miller, Stan Strom, Rick Turkian, Gerard Vick, Jeff Young  
Recommend approval
- k. **1104 Foreclosures/Forfeitures**, #ABA 0901-040 3 hours  
\*Earl Berg, Mike Denious, Diane Drain, Bill Gray, Dan Kloberdanz, Bill Kozub, Mark Kramoltz, Jim Miller  
Recommend approval
- l. **1028 Arizona Water Law**, #ABA 0901-042 3 hours  
\*William Baker, Bill Gray, Richard Hubbard, Stan Strom, Gerard Vick, Terry Zajac  
Recommend approval
- m. **1026 Arizona Property Tax System**, #ABA 1001-043 3 hours  
\*Earl Cass, Hos Hoskins, Stan Strom, Rick Turkian  
Recommend approval
- n. **1031 Bankruptcy**, #ABA 1001-041 3 hours  
\*Berg Earl, Diane Drain, Terry Foster, Bill Gray, Jim Miller, Rick Turkian  
Recommend approval
- o. **1253 How Appraisers Develop Capitalization Rates**, #ABA 0702-241 4 hours  
\*Tracey Captain, Gasper Crimando, Rick Fasano, Kathleen Holmes, Roy Morris, Ronald Shilling, Julie Sims, Daniel Smith, Gerard Vick, Terry Zajac  
Recommend approval
- p. **3393 Construction Law: Zoning/ UBC/ADA/Fairhousing**, #ABA 1006-586 3 hours  
\*Neil Dauler-Phinney, Mike Denious, Tom Denny, Clyde Dinnell, Bill Dowdy, William Epley, Bill Gray, Randy Helfman, William Kozub, Dave Rider, Kevin Rude, Rick Turkian, Gerard Vick, Terry Zajac  
Recommend approval
- q. **C5041 Arizona Title Procedures**, #ABA 1006-587 3 hours  
\*Bill Dowdy, Diane Drain, William Epley, Bill Gray Faye Humphrey, Bob Kaczmarek, William Kozub, Mark Dramoltz, Barbara Rastello, Rick Turkian, Terry Zajac  
Recommend approval
- 3 Submitted by **Best Schools of Real Estate & Appraisal**
- a. **An Introduction to Home Inspection**, #ABA 0901-024 20 hours  
\*Stuart Bernstein  
Recommend approval
4. Submitted by Submitted by **Hogan School of Real Estate**
- a. **Using the Internet for Disclosure of Material Facts**, #ABA 1003-303 3 hours  
\*Steven Cole  
Recommend approval

- B. Not previously approved by the Board:
1. Submitted by **National Highway Institute**
    - a. **Appraisal For Federal-Aid Highway Programs, #141043, 12 hours**  
\*Richard Mueller, Thomas Anderson, Edward Wilson  
Recommend approval
    - b. **Appraisal Review for Federal-Aid Highway Programs, #141044, 6 hours**  
\*Richard Mueller, Thomas Anderson, Edward Wilson  
Recommend approval

**RECOMMENDATIONS  
STAKEHOLDERS AND  
COMMITTEE ON RULES AND REGULATIONS  
OF THE ARIZONA BOARD OF APPRAISAL**

The Committee met on October 5, 2007, and makes the following recommendations to the Board:

1. Discussion and possible action concerning proposed rulemaking amending Title 4, Professions and Occupations, Chapter 46, Board of Appraisal, Article 1, General Provisions, Section R4-46-106, Fees:
  - A. ~~Except as provided in subsections (D) and (E), the~~ The Board shall charge and collect fees for the following:
    1. Initial ~~Applicant and First Biennial License:~~ Application: \$400
    2. Examination: \$100
    3. ~~Reexamination:~~ \$100
    4. ~~3.~~ Biennial Renewal of a License or Certificate: \$425
    5. ~~4.~~ Delinquent Renewal (in addition to the Renewal fee): \$25
    6. ~~5.~~ Biennial Federal National Registry: \$50
    7. ~~6.~~ Nonresident Temporary License or Certificate: \$150
    8. ~~Duplicate License or Certificate:~~ \$5
    9. ~~7.~~ Course Review: Approval:
      - a. Qualifying Education
        - i. Initial ~~Review and Course Approval:~~ \$300 \$400
        - ii. ~~Review Renewal~~ of Course ~~Previously Approved:~~ Approval: \$5 \$100
        - iii. Renewal of Course Approval to Change Instructor: \$50
      - b. Continuing Education
        - i. Initial ~~Review and Course Approval of:~~ \$200  
~~2-hour courses:~~ \$50  
~~3- and 4-hour courses:~~ \$100  
~~Any course 5 hours or longer:~~ \$150
        - ii. ~~Review Renewal~~ of Course ~~Previously Approved:~~ Approval: \$5 \$100
        - iii. Renewal of Course Approval to Change Instructor: \$50
  - B. A person shall pay fees by ~~cash~~, certified check, cashier's check, or money order payable to the Arizona Board of Appraisal.
  - C. A person making a public record request shall pay the Board the reasonable cost of reproduction consistent with A.R.S. Title 39, Chapter 1, Article 2. The person shall pay for the Board's cost of reproduction by ~~cash~~, certified check, cashier's check, or money order.
  - D. ~~The fee for an initial application filed after November 30, 1998, and before December 1, 2000, shall be \$300.~~



- E. ~~The renewal application fee for a license or certificate expiring after November 30, 1998, and before December 1, 2000, shall be \$225.~~

**RECOMMENDATION:** Approve. No public comments received.

2. Discussion and possible action concerning proposed rulemaking amending Title 4, Professions and Occupations, Chapter 46, Board of Appraisal, Article 1, General Provisions, Section R4-46-101, Definitions, and Article 2, Licensing and Certification, Section R4-46-201, Appraiser Qualification Criteria:

R4-46-101. Definitions.

In these rules, unless the context otherwise requires:

"Arizona or State Certified General Appraiser" No change  
"Arizona or State Certified Residential Appraiser" No change  
"Arizona or State Licensed Appraiser" No change  
"Appraisal Foundation" No change  
"Appraiser" No change  
"Board" No change  
"Board counsel" No change  
"Board staff" No change  
"Complaint" No change  
"Consent agreement" No change  
"Consulting assignment" No change  
"Conviction" No change  
"Course provider" No change  
"Direct supervision" means that a supervising appraiser is ~~physically present to direct and oversee~~ directing and overseeing the production of each appraisal assignment.  
"Disciplinary action" No change  
"Dismissal" No change  
"Distance education" No change  
"Due diligence" No change  
"Formal complaint" No change  
"Formal hearing" No change  
"Informal hearing" No change  
"Informational interview" No change  
"Initial review" No change  
"Investigation" No change  
"Investigator" No change  
"Jurisdictional criteria" No change  
"Letter of concern" No change  
"Letter of due diligence" No change  
"Letter of remedial action" No change  
"Mentor" No change

"Order" No change  
"Party" No change  
"Practicing appraiser" No change  
"Probation" No change  
"Property tax agent" No change  
"Remedial action" No change  
"Respondent" No change  
"Rules" No change  
"Summary suspension" No change  
"Supervising appraiser" No change  
"Trainee" No change  
"USPAP" No change  
"Workfile" No change

R4-46-201. Appraiser Qualification Criteria

- A. Except as provided in subsections (B), (C), and (D), an applicant for the applicable classification of license or certificate shall meet that classification's criteria established by the Appraiser Qualifications Board (AQB) in either The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria adopted February 16, 1994 effective January 1, 1998, All Interpretations and Supplementary Information as of January 1, 2002, and Appendix I, Criteria Revisions effective January 1, 2003, ("1998 Criteria"), or The Real Property Appraiser Qualification Criteria Adopted January 1, 2003, All Interpretations And Supplementary Information As Of ~~November 1, 2005~~, February 1, 2007, And Appendix, Real Property Qualifications Effective January 1, 2008 ("2008 Criteria"), as follows:
1. The requirements are divided into three components: education, experience and examination. An applicant shall meet the criteria in effect at the time the applicant completes a particular component.
  2. The Board shall give credit for completion of a component if the applicant meets either the 1998 Criteria or the 2008 Criteria for any component completed prior to January 1, 2008.
  3. The Board shall give credit for completion of a component only if the applicant meets the 2008 Criteria for any component completed on or after January 1, 2008.
  4. On and after November 1, 2008, an applicant shall meet the 2008 Criteria for all components, regardless of when the component was completed. Both the 1998 Criteria and the 2008 Criteria are incorporated by reference and are on file with the Board. These incorporated criteria include no future additions or amendments. A copy of the incorporated criteria may be obtained from the Board or The Appraisal Foundation.
- B. Regardless of whether a transaction is federally related:
1. A State Licensed Residential Appraiser is limited to the scope of practice in A.R.S. § 32-3612(A)(3), and

2. A State Certified Residential Appraiser is limited to the scope of practice in A.R.S. § 32-3612(A)(2).
- C. Notwithstanding the criteria incorporated by reference in subsection (A),
  1. An applicant shall not obtain more than 75% of required qualifying education through distance education,
  2. An applicant shall not obtain the 15-hour National USPAP Course, or its equivalent, approved through the AQB Course Approval Program, through distance education, and
  3. Qualifying education credit may be obtained at any time before the date of application, except the 15-hour National USPAP Course or its AQB approved equivalent must be obtained within two years preceding the date of application.
- D. Notwithstanding the criteria incorporated by reference in subsection (A), there is no Trainee Real Property Appraiser Classification.
  1. A supervising appraiser shall instruct and directly supervise a trainee for any classification of license or certificate in the entire preparation of each appraisal. The supervising appraiser shall approve and sign all final appraisal documents: certifying the appraisals are in compliance with the Uniform Standards of Professional Appraisal Practice. A supervising appraiser and trainee must work in the same state and the supervising appraiser must personally and physically supervise the entire inspection of each appraised property with the trainee. ~~To demonstrate responsibility for the instruction, guidance, and direct supervision of the trainee, the supervising appraiser shall:~~
    - a. ~~Sign the appraisal report and certify the report is in compliance with the Uniform Standards of Professional Appraisal Practice,~~
    - b. ~~Personally supervise the entire physical inspection of each appraised property with the trainee, and~~
    - c. ~~Review and sign each trainee appraisal report.~~
  2. A trainee may have more than one supervising appraiser, but a supervising appraiser shall not supervise more than three trainees at any one time. A trainee shall maintain an appraisal log for each supervising appraiser and, at a minimum, include the following in the log for each appraisal:
    - a. Type of property,
    - b. Date of report,
    - c. Property description,
    - d. Description of work performed by the trainee and scope of review and supervision by the supervising appraiser,
    - e. Number of actual work hours by the trainee on the assignment, and
    - f. The signature and state certificate number of the supervising appraiser. This subsection (D)(2)(f) is effective January 1, 2008.
  3. ~~A supervising appraiser and trainee shall work in the same geographic area, and in no event shall the supervising appraiser and trainee work in different states.~~

4. 3. A supervising appraiser shall provide to the Board in writing the name and address of each trainee within 10 days of engagement, and notify the Board in writing immediately upon termination of the engagement. A state certified appraiser is not eligible to be a supervising appraiser unless the appraiser's certificate is in good standing and the appraiser has not been subject to license or certificate suspension, probation, or mentorship within the last two years. This subsection ~~(D)(4)~~ (D)(3) is effective January 1, 2008.
4. In the event that a supervising appraiser does not file the required notification of engagement with the Board:
- a. The supervising appraiser will be subject to disciplinary action pursuant to A.R.S. § 32-3631(A)(8), and
- b. The trainee shall not receive experience credit for all hours logged during the period that the notification of engagement is not filed with the Board.

**RECOMMENDATIONS:**

- A. Approve definition of "Direct Supervision". Comments from stakeholders in favor of amendment.
- B. Approve with revision to R4-46-201(D)(4)(b) to read:
- b. The trainee shall not receive experience credit for any hours logged prior to the date that the notification of engagement is filed with the Board.

Comments from stakeholders in favor of revision.

3. Discussion and possible action concerning proposed rulemaking amending Title 4, Professions and Occupations, Chapter 46, Board of Appraisal, Article 4, Standards of Practice, Section R4-46-401, Standards of Appraisal Practice:

Every appraiser, in performing the acts and services of an appraiser, shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP), ~~2006~~ 2008-2009 edition, published by The Appraisal Foundation, which is incorporated by reference and on file with the Board. This incorporation by reference contains no future editions or amendments. A copy of the USPAP ~~2006~~ 2008-2009 edition may be obtained from The Appraisal Foundation, 1155 15<sup>th</sup> Street, NW, Suite 1111, Washington, D.C. 20005; (202) 347-7722; fax (202) 347-7727; or web site [www.appraisalfoundation.org](http://www.appraisalfoundation.org).

**RECOMMENDATION:** Approve. No public comment.

4. Discussion and possible action concerning requirements for approval of practicum courses.

**RECOMMENDATION:** Table until an application for approval of a practicum course is received. Comments from stakeholders in favor of revision.

5. Discussion and possible action concerning availability of supervising appraiser/trainee courses by course providers.

**RECOMMENDATION:** Courses are available. Revise rules to require the supervising appraiser to take a continuing education course for supervising appraisers. Specific language to be drafted. Comments from stakeholders in favor of revision.

6. Discussion and possible action concerning the requirement of a specific number or percentage of inspection hours for appraiser applicants.

**RECOMMENDATION:** Revise rules to require 75% of appraisals on an experience log to include inspection by applicant. Specific language to be drafted. Comments from stakeholders in favor of revision.

7. Discussion and possible action concerning residency requirements as they apply to the Board's reciprocal agreements.

**RECOMMENDATION:** Reciprocal agreements specifically provide that the applicant is a legal resident of the state in which he or she is currently licensed or certified. Revise application to make it clear that applicant must not be a resident of Arizona and must be a resident of the reciprocal state. Comments from stakeholders in favor of recommendation.

8. Discussion and possible action concerning a disciplinary flow chart.

**RECOMMENDATION:** Update disciplinary flow chart and use as a tool in explaining the disciplinary rules. Comments from stakeholders in favor of recommendation.